

## Assessing the companies' process of IFRS adoption in Romania

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The purpose of this paper is to find and analyze the process of accounting standard adoption in Romania, regarded from companies' point of view, as well as to discover the issues faced by economic entities. This paper focuses also on the importance of disclosure regarding the consolidated financial statements in the case of listed companies. It examines the changes that had to be made not only in the ledgers, but also in the management of the quoted Romanian companies.

The International Financial Reporting Standards have been adopted in Romania starting 2007, and the companies required to present their financial consolidated statements are the ones listed, as stated in European Commission Regulation 1606/2002, without the option of opting out. In the same time, for the individual financial statements, the companies apply the national rules, complying with the European Directives. The implementation of IFRS was a complex process that brought fundamental changes to the process of accounting reporting.

Although elements from the International Conceptual Framework were taken in national regulations, such as who the information users' are, the definitions or qualitative characteristics, there are also differences that create the necessity of having two sets of financial statements for the same listed company.

Transactional analysis is basically the same under IFRS and national rules, but the different standards may impact how transactions are recorded.

This paper tried to highlight and analyze the differences and the similarities that characterize the international accounting system IAS/IFRS and the national Romanian accounting system.

Application of IFRS in Romania is a complex process. Firstly, the process of harmonization of concepts, vocabulary and referential treatments is a necessary procedure, which offers the characterization of a universal accounting language and homogeneous preparations.

On the other hand, the introduction of IFRS showed rejection, caused by misinterpretation of the theoretical topics and processes, produced mainly from the circumstance that in Romania there are no real short term needed to apply the international standards.

**Keywords:** Standard Adoption, Convergence, International Financial Standards, General Accepted Accounting Standards, Financial Statements.